

Military Division

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2004 Total App	FY 2004 Actual	FY 2005 Approp	FY 2006 Request	FY 2006 Gov Rec
BY PROGRAM					
Military Management	2,596,000	2,333,000	2,707,000	2,912,700	2,847,000
Federal/State Agreements	14,692,200	16,120,400	16,085,100	18,354,200	18,211,300
Homeland Security	0	0	23,452,800	24,240,600	23,724,600
Disaster Services	2,677,900	4,026,200	0	0	0
Hazardous Materials	3,858,800	10,528,000	0	0	0
Total:	23,824,900	33,007,600	42,244,900	45,507,500	44,782,900
BY FUND CATEGORY					
General	4,729,400	4,749,700	4,922,700	5,868,000	5,546,400
Dedicated	217,100	214,300	218,700	276,000	273,700
Federal	18,878,400	28,043,600	37,103,500	39,363,500	38,962,800
Total:	23,824,900	33,007,600	42,244,900	45,507,500	44,782,900
Percent Change:		38.5%	28.0%	7.7%	6.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	10,582,400	10,919,600	13,262,500	14,511,600	14,462,800
Operating Expenditures	12,655,100	10,765,600	14,223,000	15,569,600	15,370,700
Capital Outlay	0	1,858,200	0	375,000	90,000
Trustee/Benefit	587,400	9,464,200	14,759,400	15,051,300	14,859,400
Total:	23,824,900	33,007,600	42,244,900	45,507,500	44,782,900
Full-Time Positions (FTP)	180.80	180.80	205.80	205.80	205.80

Division Description

The Military Division is headed by the Adjutant General, who is appointed by and reports to the Governor. The division serves as the state's National Guard unit. Descriptions of the Military Division's three programs are as follows:

MILITARY MANAGEMENT - The purpose of the Military Management program is to provide effective and responsive overall management to ensure mission capability and to meet the goals of the state and federal governments, as established by law. The program is also charged with operating and maintaining the state's 25 armories in a cost-effective manner to provide storage and security for federal property and facilities.

FEDERAL/STATE AGREEMENTS - This program is a joint venture between the state and the National Guard Bureau. Service contracts are negotiated annually in which the state provides services to the National Guard and is reimbursed by the federal government for 75 to 100 percent of costs. The purpose of Federal/State Cooperative Agreements is to operate and maintain the Gowen Field complexes, desert training range facilities, and nine maintenance shops located throughout the state.

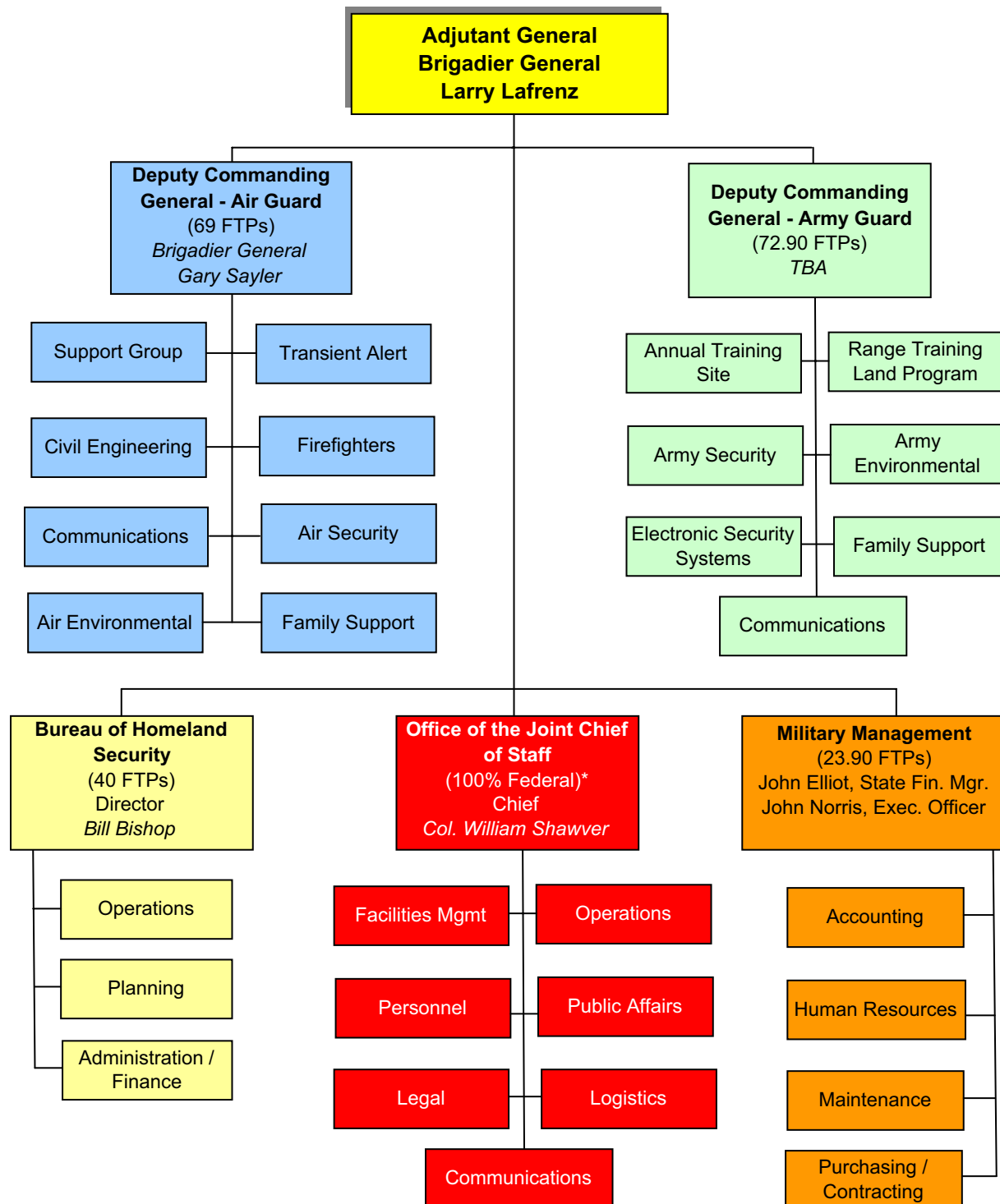
HOMELAND SECURITY - Exec. Order No. 2003-11 and 2004 Idaho Sess. Laws 58 (amending Idaho Code §39-7101 et seq. and Idaho Code §46-1001) created the Bureau of Homeland Security which supercedes and combines the functions of the Bureau of Disaster Services and the Bureau of Hazardous Materials.

* Disaster Services - The Bureau of Disaster Services coordinated the state and federal response to major emergencies and disasters, in support of local jurisdictions. The bureau established and maintained a state and local emergency management structure, and helped to mitigate, prepare, respond, and recover from the effects of all hazards.

* Hazardous Materials - The primary purpose of the Bureau of Hazardous Materials was to: (1) implement the federal Emergency Planning and Community Right to Know Act; (2) facilitate planning and coordination at state and local levels in order to provide for the prompt containment of releases of hazardous substances; and (3) provide accurate, current information and training through public education outreach activities.

Military Division Agency Profile

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* The Office of the Joint Chief of Staff is unique to state government in that it operates as a separate federal entity, yet remains under the command of the state adjutant general. There is **no** federal spending authority from the state for the Office of the Joint Chief of Staff.

Military Division

Agency Profile

Analyst: Freeman

Sources of Funds

	<u>FY 2004 Actual</u>	<u>Percent of Total</u>	<u>FY 2005 Estimate</u>	<u>FY 2006 Request</u>
1. General Fund (0001-00)	\$4,729,400	14.40%	\$4,951,100	\$5,868,000
The General Fund consists of, "moneys received into the treasury and not specially appropriated to any other fund." The fund sources are individual income tax, corporate income tax, sales tax, cigarette tax, beer tax, wine tax, liquor surcharge, kilowatt hour tax, mine license tax, Treasurer's interest on investments of certain idle state funds, court fees and fines, insurance premium tax, sale of alcoholic beverage licenses, unclaimed property, articles of incorporation and uniform commercial code filing fees, estate and transfer tax, and other miscellaneous sources from various agency receipts.				
2. Indirect Cost Recovery (0125)	\$28,600	0.09%	\$105,300	\$160,700
Funds collected from various federal grants and contracts based on a federally approved indirect cost rate.				
3. Federal Grant (0348)	\$28,043,600	85.38%	\$46,758,900	\$39,363,500
(1) This fund consists of money received from the federal government as reimbursement for the operations and maintenance of Gowen Field facilities and Armories, environmental costs, security, training, firefighting, family support, communication charges, recruiting expenses, and armory intrusion detection maintenance costs. The general fund is allotted in the proper amount to match the federal funds per the funding agreements. Federal funds are supplied via 13 cooperative funding agreements between the State of Idaho and the National Guard Bureau. (2) Federal grants from the Department of Homeland Security and Department of Transportation provide federal funding to the Bureau of Homeland Security. The grants are used for the procurements of specialized terrorist response equipment and for the planning, training and exercises for terrorist events. Also the funds are used to train state and local communities to mitigate, respond and recover from disasters and to plan and train for hazardous material emergencies and incident responses.				
4. Miscellaneous Revenue (0349)	\$15,100	0.05%	\$38,800	\$39,300
Miscellaneous income from surplus property sales, cost reimbursement for full-time federal employees housed in the state armories, and other occasional and miscellaneous sources.				
5. Armory Revenue (0349-82)	\$29,000	0.09%	\$75,000	\$76,000
Derived from the rental of Armory facilities.				
Total	\$32,845,700	100%	\$51,929,100	\$45,507,500

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2005 Original Appropriation	205.80	4,922,700	42,244,900	205.80	4,922,700	42,244,900
HB 805 One-time 1% Salary Increase	0.00	28,400	95,400	0.00	28,400	95,400
Governor's Rescission	0.00	0	0	0.00	(41,700)	(42,100)
HazMat Deficiency Warrant	0.00	141,600	141,600	0.00	141,600	141,600
Other Approp Adjustments	0.00	(141,600)	(141,600)	0.00	(141,600)	(141,600)
FY 2005 Total Appropriation	205.80	4,951,100	42,340,300	205.80	4,909,400	42,298,200
Non-Cognizable Funds and Transfers	0.00	0	9,588,800	0.00	0	9,588,800
FY 2005 Estimated Expenditures	205.80	4,951,100	51,929,100	205.80	4,909,400	51,887,000
Removal of One-Time Expenditures	0.00	(28,400)	(9,684,200)	0.00	(17,100)	(9,672,500)
Base Adjustments	0.00	0	0	0.00	30,400	30,400
FY 2006 Base	205.80	4,922,700	42,244,900	205.80	4,922,700	42,244,900
Benefit Costs	0.00	55,900	216,200	0.00	43,300	167,400
Inflationary Adjustments	0.00	17,500	370,800	0.00	0	0
Replacement Items	0.00	361,500	375,000	0.00	90,000	90,000
Nonstandard Adjustments	0.00	171,300	1,459,100	0.00	171,300	1,459,100
Change in Employee Compensation	0.00	30,300	117,100	0.00	30,300	117,100
27th Payroll	0.00	118,200	457,400	0.00	118,200	457,400
FY 2006 Program Maintenance	205.80	5,677,400	45,240,500	205.80	5,375,800	44,535,900
1. Maintenance - Emergency Alert Sys.	0.00	5,100	5,100	0.00	5,100	5,100
2. M&O Costs for Readiness Center	0.00	25,500	101,900	0.00	25,500	101,900
3. Tuition Assistance	0.00	100,000	100,000	0.00	100,000	100,000
4. Military Historical Museum	0.00	60,000	60,000	0.00	40,000	40,000
FY 2006 Total	205.80	5,868,000	45,507,500	205.80	5,546,400	44,782,900
Change from Original Appropriation	0.00	945,300	3,262,600	0.00	623,700	2,538,000
% Change from Original Appropriation		19.2%	7.7%		12.7%	6.0%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2005 Original Appropriation					
	205.80	4,922,700	218,700	37,103,500	42,244,900
HB 805 One-time 1% Salary Increase					
Agency Request	0.00	28,400	400	66,600	95,400
Governor's Recommendation	0.00	28,400	400	66,600	95,400
Governor's Rescission					
Agency Request	0.00	0	0	0	0
The Governor recommends removal of funds not needed to implement HB 805. In addition, the Governor recommends removal of risk management funding in excess of needs calculated by the Department of Administration.					
Governor's Recommendation	0.00	(41,700)	(400)	0	(42,100)
HazMat Deficiency Warrant			Homeland Security		
This is one-time funding to pay deficiency warrants issued in response to costs associated with the cleanup of hazardous materials incidents throughout the state.					
Agency Request	0.00	141,600	0	0	141,600
Governor's Recommendation	0.00	141,600	0	0	141,600
Other Approp Adjustments					
Transfer General Fund monies to the Hazardous Substance Emergency Response Fund where actual costs were incurred.					
Agency Request	0.00	(141,600)	0	0	(141,600)
Governor's Recommendation	0.00	(141,600)	0	0	(141,600)
FY 2005 Total Appropriation					
Agency Request	205.80	4,951,100	219,100	37,170,100	42,340,300
Governor's Recommendation	205.80	4,909,400	218,700	37,170,100	42,298,200
Non-Cognizable Funds and Transfers					
State/Federal Agreements: Shifts .25 FTP from General to federal funds. Reflects \$800,000 increase in non-cognizable federal spending authority.					
Homeland Security: Reflects \$8,788,800 increase in non-cognizable federal spending authority.					
Agency Request	0.00	0	0	9,588,800	9,588,800
Governor's Recommendation	0.00	0	0	9,588,800	9,588,800
FY 2005 Estimated Expenditures					
Agency Request	205.80	4,951,100	219,100	46,758,900	51,929,100
Governor's Recommendation	205.80	4,909,400	218,700	46,758,900	51,887,000
Removal of One-Time Expenditures					
Agency Request	0.00	(28,400)	(400)	(9,655,400)	(9,684,200)
Governor's Recommendation	0.00	(17,100)	0	(9,655,400)	(9,672,500)

Military Division

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Base Adjustments

Reflects the following transfers: (1) \$36,000 from personnel to operating to cover state operating match requirements. (2) 1 FTP from Federal/State Agreements to Military Mangement. (3) \$200,000 general funds from Military Management to Federal/State Agreements for armory maintenance. (4) 1 FTP from Homeland Security to Federal/State Agreements

Agency Request	0.00	0	0	0	0
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Restore risk management rescission to the base.

Governor's Recommendation	0.00	30,400	0	0	30,400
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FY 2006 Base

Agency Request	205.80	4,922,700	218,700	37,103,500	42,244,900
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Governor's Recommendation	205.80	4,922,700	218,700	37,103,500	42,244,900
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Benefit Costs

Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 9.7% or \$632 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees. Other benefit changes include a reduction in unemployment insurance rates and an increase in workers compensation rates.

Agency Request	0.00	55,900	1,000	159,300	216,200
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The Governor does not recommend increases related to changes in the Public Employee Retirement System.

Governor's Recommendation	0.00	43,300	800	123,300	167,400
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Inflationary Adjustments

Includes a general inflationary increase of 1.3% in operating expenditures and trustee/benefit payments.

Agency Request	0.00	17,500	2,100	351,200	370,800
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The Governor recommends no increase for general inflation.

Governor's Recommendation	0.00	0	0	0	0
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Replacement Items

Military Management

Capital Outlay: 8 PCs (\$12,000), 2 laptops (\$5,000), 3 printers (\$3,900), 2 servers (\$10,000).

Federal/State Agreements

Capital Outlay: lawn care equipment - mower and trimmers (\$18,000).

Homeland Security

Capital Outlay: 4 PCs (\$6,000), 11 laptops (\$27,500), 2 laser printers (\$2,600), 3 sport utility vehicles (\$90,000), and 1 emergency response vehicle (\$200,000).

Agency Request	0.00	361,500	0	13,500	375,000
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The Governor recommends \$90,000 in one-time General Funds for the replacement of three vehicles.

Governor's Recommendation	0.00	90,000	0	0	90,000
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nonstandard Adjustments

Military Management: (1) Reflects \$10,700 for step increases and \$42,900 to adjust CEC to projected federal COLA of 4%. (2) Reflects an adjustment in Attorney General, Controller and Treasurer fees pursuant to the Statewide Cost Allocation Plan, and a reduction in Risk Management property/casualty rates. (3) Reflects a \$50,000 increase in spending authority for indirect funds due to an increase in receipts from existing Office of Domestic Preparedness grants.

Federal/State Agreements: (1) Reflects \$65,100 for step increases, and \$227,500 to adjust CEC to projected federal COLA of 4%. (2) Reflects \$914,000 (96%) in federal funds and \$38,000 (4%) in matching General Funds for an increase in the National Guard Bureau's funding for sustainment, repair and maintenance of training facilities.

Homeland Security: Reflects \$32,200 for step increases and \$66,000 to adjust CEC to projected federal COLA of 4%.

Agency Request	0.00	171,300	51,600	1,236,200	1,459,100
Governor's Recommendation	0.00	171,300	51,600	1,236,200	1,459,100

Change in Employee Compensation

Reflects the cost of a 1% salary increase for permanent and group positions.

Agency Request	0.00	30,300	500	86,300	117,100
<i>The Governor recommends a compensation increase of 1% to be distributed based on merit. No adjustment to the pay line is recommended.</i>					
Governor's Recommendation	0.00	30,300	500	86,300	117,100

27th Payroll

Reflects the cost of one additional payroll in fiscal year 2006. This happens every eleven or twelve years because there are 364 days in 26 payperiods but a year has 365.242 days.

Agency Request	0.00	118,200	2,100	337,100	457,400
Governor's Recommendation	0.00	118,200	2,100	337,100	457,400

FY 2006 Program Maintenance

Agency Request	205.80	5,677,400	276,000	39,287,100	45,240,500
Governor's Recommendation	205.80	5,375,800	273,700	38,886,400	44,535,900

1. Maintenance - Emergency Alert Sys.

Bureau of Homeland Security

This enhancement is for \$5,100 in ongoing General Funds for the cost of maintaining two new mountain-top repeaters and transmitters to meet statewide communications requirements for the Emergency Alert System. These transmitters have already been purchased and installed, this would simply provide for the cost of maintenance and repairs as needed.

Agency Request	0.00	5,100	0	0	5,100
Governor's Recommendation	0.00	5,100	0	0	5,100

2. M&O Costs for Readiness Center

Federal/State Agreements

This enhancement would provide an additional General Fund appropriation and federal spending authority to maintain the new 77,000 square foot readiness center at Gowen Field. The federal government funded 100% of the construction costs, but maintenance and operations are to be funded 25% state /75% federal.

Agency Request	0.00	25,500	0	76,400	101,900
Governor's Recommendation	0.00	25,500	0	76,400	101,900

Military Division

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Tuition Assistance	Military Management				
This enhancement would provide \$100,000 in ongoing General Funds in support of the Military Division's tuition assistance program. Funding for this program was cut in half as a result of budget cuts in FY 2003. This would restore full funding to the program. The National Guard considers this a valuable tool for recruitment and retention. In FY 2004, \$155,300 was reimbursed to 642 participants, but the federal government had to infuse funds into the state's program to cover all the reimbursements requested. Federal funding will not be available in FY2006 to cover such a shortfall.					
Agency Request	0.00	100,000	0	0	100,000
Governor's Recommendation	0.00	100,000	0	0	100,000
4. Military Historical Museum	Military Management				
This request would provide \$20,000 in ongoing General Fund money to allow the Division to hire a contract curator for the military museum, and \$40,000 in one-time General Funds for needed repairs and maintenance. The Idaho Military Historical Museum was established to enable the Adjutant General to fulfill his obligation as required by the state constitution. The museum currently operates with part-time volunteers.					
Agency Request	0.00	60,000	0	0	60,000
The Governor recommends \$40,000 in one-time General Funds for maintenance and repairs needed at the Idaho Military Historical Museum.					
Governor's Recommendation	0.00	40,000	0	0	40,000
FY 2006 Total					
Agency Request	205.80	5,868,000	276,000	39,363,500	45,507,500
Governor's Recommendation	205.80	5,546,400	273,700	38,962,800	44,782,900
Agency Request					
Change from Original App	0.00	945,300	57,300	2,260,000	3,262,600
% Change from Original App	0.0%	19.2%	26.2%	6.1%	7.7%
Governor's Recommendation					
Change from Original App	0.00	623,700	55,000	1,859,300	2,538,000
% Change from Original App	0.0%	12.7%	25.1%	5.0%	6.0%